

## **EXHIBIT 1**

### **INTRODUCTION**

Respondent, Sharon Gowan, is a trustee for the Board of Education of the Anderson Valley Unified School District ("school district"). She assumed office on December 10, 1999. As a trustee, Respondent is a designated employee of the school district, as defined in Section 82019, subdivision (c), of the Political Reform Act (the "Act"),<sup>1</sup> and in the school district's conflict of interest code.

As required by the Act and the school district's conflict of interest code, each designated employee of the school district must file an annual statement of economic interests by April 1<sup>st</sup> of each year (unless April 1<sup>st</sup> falls on a Saturday, Sunday, or official holiday, in which case the filing deadline is extended to the next regular business day).<sup>2</sup> On the statement of economic interests, the designated employee must disclose the reportable economic interests that he or she held during the preceding calendar year.

In this matter, Respondent failed to timely file a 2000 annual statement of economic interests by the April 2, 2001 due date.

The Enforcement Division handled this case on an expedited basis under the SEI Expedited Procedures adopted by the Commission in July of 1999.

For the purposes of this Stipulation, Respondent's violation is as follows:

**COUNT 1:** As a designated employee of the Anderson Valley Unified School District, Sharon Gowan failed to timely file a 2000 annual statement of economic interests, by April 2, 2001, in violation of Section 87300.

### **SUMMARY OF THE LAW**

An express purpose of the Act, as set forth in Section 81002, subdivision (c), is to assure that the assets and income of public officials, which may be materially affected by their official actions, be disclosed, so that conflicts of interest may be avoided.

In furtherance of this purpose, Section 87300 requires every agency to adopt and promulgate a conflict of interest code. The agency's conflict of interest code must specifically designate the employees of the agency who are required to file statements of economic interests disclosing their

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<sup>1</sup> The Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

<sup>2</sup> Regulation 18116.

reportable investments, business positions, interests in real property, and other income. Under Section 82019, subdivision (c), and Section 87302, subdivision (a), the individuals who are to be designated in an agency's conflict of interest code are the officers, employees, members, and consultants of the agency, whose position with the agency entails making, or participating in making, governmental decisions that may have a reasonably foreseeable material effect on one or more of the individual's economic interests.

Under Section 87302, subdivision (b), an agency's conflict of interest code must require every new designated employee to file an assuming office statement of economic interests within 30 days of assuming office. This subdivision also provides that an agency's conflict of interest must require every designated employee of the agency to file an annual statement of economic interests, for each year that the employee remains in office, at a time specified in the agency's conflict of interest code, disclosing his or her reportable economic interests from the preceding calendar year.

Under Section 87300, the requirements of an agency's conflict of interest code have the force of law, and any violation of those requirements is deemed a violation of the Act.

### **SUMMARY OF THE FACTS**

Respondent has been a trustee for the Board of Education of the Anderson Valley Unified School District since December 1999. As a trustee, Respondent is a designated employee of the school district, as defined in Section 82019, subdivision (c), and in the conflict of interest code for the school district.

The school district's conflict of interest code requires Respondent to file an annual statement of economic interests ("SEI"), for each year that she serves as a member of the Board of Education, by April 1st of the following year (unless April 1<sup>st</sup> falls on a Saturday, Sunday, or official holiday, in which case the filing deadline is extended to the next regular business day).

On January 29, 2001, Melissa Mack, the Deputy Clerk-Recorder for the County of Mendocino, sent a letter to Respondent, reminding her that her 2000 annual SEI was due by April 2, 2001. In spite of this reminder, Respondent failed to file her 2000 annual SEI by the April 2, 2001 due date. Ms. Mack therefore sent a second letter to Respondent on April 4, 2001, advising her that her 2000 annual SEI became past due. When Respondent did not respond to this second letter, Ms. Mack referred the matter of Respondent's failure to file a 2000 annual SEI to the Enforcement Division of the Fair Political Practices Commission.

On May 22, 2001, Investigator Bonnie Swaim of the Enforcement Division spoke with Respondent by telephone, and reminded her that her 2000 annual SEI remained past due. On May 25, 2001, Respondent filed the statement.

### **ADDITIONAL INFORMATION**

Upon assuming office on December 10, 1999, Respondent was required to file an assuming office SEI with the Mendocino County Clerk by January 11, 2000. Respondent did not file her assuming office SEI by the due date. Although no action was required by the Enforcement Division to induce Respondent to file her assuming office SEI, Respondent did not file the SEI until March 2, 2000, 50 days after the January 11, 2000 due date.

### **CONCLUSION**

This matter consists of one count of violating Section 87300, which carries a maximum administrative penalty of Five Thousand Dollars (\$5,000). However, under the SEI Expedited Procedures adopted by the Commission in July 1999, the approved administrative penalty for an individual who files a delinquent SEI within 30 days of being contacted by the Enforcement Division is between Two Hundred and Three Hundred Dollars (\$200-\$300).

The facts of this case, particularly the fact that Respondent previously failed to timely file her assuming office SEI, justify imposition of the agreed upon penalty of Three Hundred Dollars (\$300).